

Department of Justice

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by any state or public or private entity. The operator may not make personally identifying information contained within NMVTIS, such as the name or address of the owner of an automobile, available to an individual prospective purchaser. With the approval of the Department of Justice, the operator may allow public and private entities that provide information to NMVTIS to query the system if such access will assist in efforts to prevent the introduction or reintroduction of stolen motor vehicles and parts into interstate commerce.

(d) The operator shall develop and maintain a privacy policy that addresses the information in the system and how personal information shall be protected. DOJ shall review and approve this privacy policy.

(e) The means by which access is provided by the operator to users of NMVTIS must be approved by the Department of Justice.

(f) The operator shall biennially establish and at least annually collect user fees from the states and users of NMVTIS to pay for its operation, but the operator may not collect fees in excess of the costs of operating the system. The operator is required to recalculate the user fees on a biennial basis. After the operator establishes its initial user fees for the states under this section, subsequent state user fees must be established at least one year in advance of their effective date. Any user fees established by the operator must be established with the approval of the Department of Justice. The operator of NMVTIS will inform the states of the applicable user fees either through publication in the FEDERAL REGISTER or by direct notice or invoice to the states.

(1) The expenses to be recouped by the operator of NMVTIS will consist of labor costs, data center operations costs, the cost of providing access to authorized users, annual functional enhancement costs (including labor and hardware), costs necessary for implementing the provisions of this rule, the cost of technical upgrades, and other costs approved in advance by the Department of Justice.

(2) User fees collected from states should be based on the states' pro rata

share of the total number of titled motor vehicles based on the Highway Statistics Program of the Federal Highway Administration, U.S. Department of Transportation, except in cases where states did not report to that program, in which case the states shall make available the most recent statistics for motor vehicle title registrations.

(3) All states, regardless of their level of participation, shall be charged user fees by the operator.

(4) No fees shall be charged for inquiries from law enforcement agencies.

(g) The operator will establish procedures and practices to facilitate reporting to NMVTIS in the least burdensome and costly fashion. If the operator is not the Department of Justice, the operator must provide an annual report to the Department of Justice detailing the fees it collected and how it expended such fees and other funds to operate NMVTIS. This report must also include a status report on the implementation of the system, compliance with reporting and other requirements, and sufficient detail and scope regarding financial information so that reasonable determinations can be made regarding budgeting and performance. The operator shall procure an independent financial audit of NMVTIS revenues and expenses on an annual basis. The Department of Justice will make these reports available for public inspection.

§ 25.54 Responsibilities of the States.

(a) Each state must maintain at least the level of participation in NMVTIS that it had achieved as of January 1, 2009. By no later than January 1, 2010, each state must have completed implementation of all requirements of participation and provide, or cause to be provided by an agent or third party, to the designated operator and in an electronic format acceptable to the operator, at a frequency of once every 24 hours, titling information for all automobiles maintained by the state. The titling information provided to NMVTIS must include the following:

(1) VIN;

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(2) Any description of the automobile included on the certificate of title (including any and all brands associated with such vehicle);

(3) The name of the individual or entity to whom the certificate was issued;

(4) Information from junk or salvage yard operators or insurance carriers regarding the acquisition of junk automobiles or salvage automobiles, if this information is being collected by the state; and

(5) For an automobile known to be titled in a particular state, the odometer mileage disclosure required under 49 U.S.C. 32705 for that automobile on the date the certificate of title for that automobile was issued and any later mileage information, if noted by the state.

(b) With the approval of the operator and the state, the titling information provided to NMVTIS may include any other information included on the certificates of title and any other information the state maintains in relation to these titles.

(c) By no later than January 1, 2010, each state shall establish a practice of performing a title verification check through NMVTIS before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another state or in cases of title transfers. The check will consist of—

(1) Communicating to the operator the VIN of the automobile for which the certificate of title is sought;

(2) Giving the operator an opportunity to communicate to the participating state the results of a search of the information and using the results to determine the validity and status of a document purporting to be a certification of title, to determine whether the automobile has been a junk or salvage vehicle or has been reported as such, to compare and verify the odometer information presented with that reported in the system, and to determine the validity of other information presented (*e.g.*, lien-holder status, etc.).

(d) By January 1, 2010, those states not currently paying user fees will be responsible for paying user fees as established by the operator to support NMVTIS.

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§ 25.55 Responsibilities of insurance carriers.

(a) By no later than March 31, 2009, and on a monthly basis as designated by the operator, any individual or entity acting as an insurance carrier conducting business within the United States shall provide, or cause to be provided on its behalf, to the operator and in a format acceptable to the operator, a report that contains an inventory of all automobiles of the current model year or any of the four prior model years that the carrier, during the past month, has obtained possession of and has decided are junk automobiles or salvage automobiles. An insurance carrier shall report on any automobiles that it has determined to be a total loss under the law of the applicable jurisdiction (*i.e.*, state) or designated as a total loss by the insurance company under the terms of its policies.

(b) The inventory must contain the following information:

(1) The name, address, and contact information for the reporting entity (insurance carrier);

(2) VIN;

(3) The date on which the automobile was obtained or designated as a junk or salvage automobile;

(4) The name of the individual or entity from whom the automobile was obtained and who possessed it when the automobile was designated as a junk or salvage automobile; and

(5) The name of the owner of the automobile at the time of the filing of the report.

(c) Insurance carriers are strongly encouraged to provide the operator with information on other motor vehicles or other information relevant to a motor vehicle's title, including the reason why the insurance carrier obtained possession of the motor vehicle. For example, the insurance carrier may have obtained possession of a motor vehicle because it had been subject to flood, water, collision, or fire damage, or as a result of theft and recovery. The provision of information provided by an insurance carrier under this paragraph must be pursuant to a means approved by the operator.

(d) Insurance carriers whose required data is provided to the operator through an operator-authorized third